

Q4

INTERIM REPORT
JANUARY – DECEMBER 2024



Significant events during the fourth quarter

Agreement with an actor in the mining industry

Terranet entered into a partnership agreement with a vehicle actor in the mining industry. The collaboration is part of the company's strategy to enable the expansion of the technology into new application areas and strengthen BlincVision's commercial potential.

Product development plan for 2025

Terranet presented an updated product development plan focusing on further developing the BlincVision prototype into an MVP (Minimum Viable Product). With an MVP that customers can test in their own vehicles, the path toward volume production can begin.

TO8 exercised at 88 percent

The company raised approximately SEK 17.2 million before issuance costs through the exercise of series TO8B warrants. The strong outcome reflects shareholders' confidence in the company and its future development.

Significant events after the end of the period

New CEO appointed

Terranet's board has appointed Lars Lindell as the new CEO. Lars has over 30 years of international experience leading technology companies in the automotive and telecom industries. He will assume the role starting March 10, 2025. Until then, CFO Dan Wahrenberg will serve as interim CEO.

Financial overview

	Oct – Dec 2024	Oct – Dec 2023	Jan – Dec 2024	Jan – Dec 2023
Revenue (TSEK)	1	205	283	834
Operating result (TSEK)	-9,555	-9,219	-35,808	-35,926
Financial items (TSEK)	-482	-33,608	-3,292	-37,190
Earnings per share (SEK)	-0,01	-0,06	-0,04	-0,15
Closing cash (TSEK)	18,541	29 006	18,541	29 006

Comment from the CEO

“With new partnerships and progress in product development, we are laying the foundation for 2025.”

The fourth quarter has brought several important advancements for Terranet. BlincVision was integrated into a partner's vehicle and tested in a new environment. We initiated a collaboration with a player in the mining industry and secured funding for continued development. At the same time, we are preparing for 2025 with a new CEO and expanded resources within product development.

BlincVision expands its application area

In December, we took a step beyond the traditional automotive industry by entering into a collaboration agreement with a player in the mining industry. This partnership highlights BlincVision's flexibility and its potential to create value across multiple sectors. By broadening the use of our technology, we strengthen our strategy and open up new opportunities for the future.

Progress in development and innovation

Over the past year, BlincVision has progressed from concept to prototype, successfully tested both in a lab environment and in moving vehicles. The autonomous braking at AstaZero marked a significant milestone, confirming the potential of our technology in real-world traffic scenarios. During the fourth quarter, BlincVision was integrated into a partner's vehicle via MobilityXlab. Testing in new environments is evaluating the system's robustness and adaptability. This collaboration provides valuable insights that help us meet our partner's requirements and move closer to commercial application.

Beyond the MobilityXlab partnership, Terranet remains actively involved in research projects aimed at enhancing traffic safety. Through the VERDAS and VERDAS2 projects, we collaborate with several leading

players in the automotive industry.

The communicated product development plan for 2025 sets clear milestones moving forward. The goal is to refine BlincVision into an MVP focusing on core functions. An MVP enables deeper customer dialogues on volume production. To accelerate progress, additional resources are being allocated to development.

Strong participation in T08

During the fourth quarter, subscription warrants of series T08 were exercised at a rate of 88 percent, adding SEK 17.2 million to the company before issuance costs. We thank our shareholders for your trust and for recognizing BlincVision's potential to set a new standard for faster and more reliable driver assistance systems.

New CEO

In October, Magnus Andersson announced his resignation as CEO, and he left the company in early 2025. We thank Magnus for his dedication and leadership, which has taken the company from research and development to a prototype and partnership agreements. The board has appointed Lars Lindell as the new CEO. With over 30 years of international experience leading fast-growing tech companies, he will assume the role starting March 10, 2025. We look forward to welcoming Lars and starting the next chapter of Terranet's development.

Dan Wahrenberg

Acting CEO

Lund February 19, 2025



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

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.

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

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.

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.

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

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

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



Product development of BlincVision

BlincVision has, throughout 2024, developed from the concept stage to being successfully tested both in a lab environment and in moving vehicles. During the fourth quarter, development efforts have focused on integrating the system into the partner's vehicle and conducting tests in their test environment. The plan for 2025 is to develop an MVP (Minimum Viable Product) that meets market requirements and paves the way for future volume agreements.



During the first quarter, prototype tests were conducted in a lab environment, focusing on measuring reaction time and evaluating object identification, object classification, robustness in sunlight and eye safety. During the second quarter, the first system integration in a moving vehicle outdoors was completed. Among other things, BlincVision was successfully integrated with the NVIDIA Orin computer platform, which is used by many vehicle manufacturers.

The third quarter marked an important milestone in product development with the execution of an autonomous braking test at the AstaZero test track. The system was tested in several Euro NCAP scenarios and successfully identified objects and

performed safe braking in complex traffic environments. At the same time, data was collected to enhance the AI-trained capability of the system to detect and interpret objects, which is crucial for ongoing optimization.

During the fourth quarter, the partnership through MobilityXlab has continued to play a central role in the development work, as the collaboration deepens both the technical development and market adaptation. BlincVision has been integrated into the partner's vehicle for the first time, with adjustments made to optimize the system for this purpose. In addition to integration, testing has also been conducted in their test environment.



The system needs to be tested in a variety of environments going forward. So far, the partnership has provided valuable insights into the partner's requirements and methods for evaluating different systems.

During the quarter, the system requirements for the upcoming MVP have also been defined at a high level.

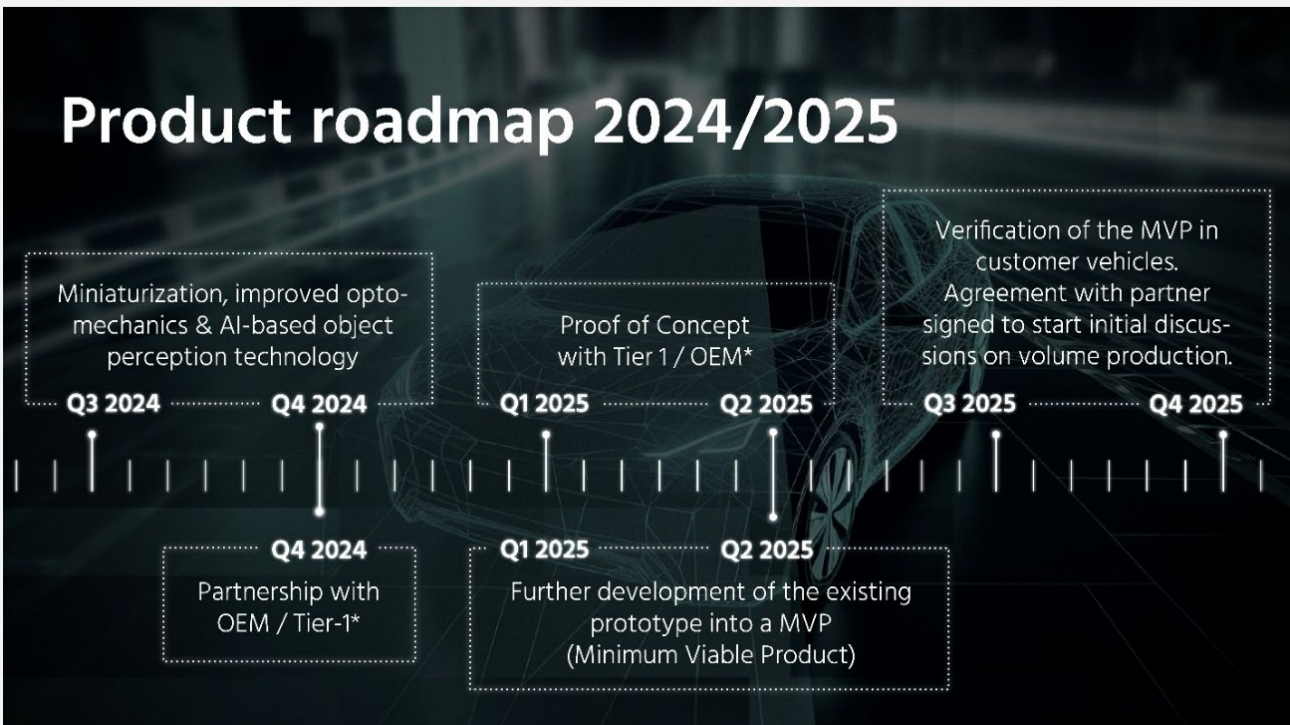
For 2025, there is a clear plan for the product development of BlincVision and the key milestones are:

Quarter 1: Proof of Concept results via the partner in MobilityXlab and initiation of the next customer project.

Quarter 2: Further development of the existing prototype into an MVP (Minimum Viable Product).

Quarter 3-4: Verification of the MVP in customer vehicles and adjustments based on market demands. An agreement with the partner will be signed to initiate preliminary discussions about volume production.

The goal is to have a first version of the product (MVP) ready by the second quarter. The upcoming MVP, which focuses on core functionalities, is a simplified version of the final product. The current prototype requires manual adjustments for integration into a specific vehicle, while the upcoming MVP will enable a much simpler and smoother installation. Once the MVP is integrated into customer vehicles and relevant adjustments have been made, we look forward to deeper customer dialogues regarding volume production.



*OEM (Original Equipment Manufacturer) are car manufacturers. Tier 1 are major suppliers to car manufacturers.

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 December 31, 2024, Terranet's total market capitalization was MSEK 177. The share capital amounted to SEK 11,937,414,51 divided into 1,083,063 Class A shares and 1,192,658,388 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 0.15 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 12,533.

Development of the share capital

	No of shares	Share capital (TSEK)
At the beginning of the year	755 145 869	7 551
Directed issue (Janf-Feb)	142 857 138	1 429
TO7B (June)	173 029 725	1 730
TO8B (December)	122 708 719	1 227
Per 31 december, 2024	1 193 741 451	11 937

Ownership structure

The 10 largest shareholders as of December 31, 2024

	Total	A Shares	B Shares	Ownership %
Maida Vale Capital AB	179 348 388		179 348 388	15,02%
Aleksov Oliver	53 860 195		53 860 195	4,51%
Pereira Mario	26 093 816		26 093 816	2,19%
BARSUM HANNA	21 281 272		21 281 272	1,78%
Jensen, Morten Skovsby	15 300 682		15 300 682	1,28%
Hultbom Maths Per Gustaf	14 549 184		14 549 184	1,22%
Sandstrom Kristofer	13 163 670		13 163 670	1,10%
Rosenberg Mats	11 732 928		11 732 928	0,98%
Knutsson Holdings AB	11 253 349		11 253 349	0,94%
SKISPAB AB	10 099 503		10 099 503	0,85%
Others	837 058 464	1 083 063	835 975 401	70,12%
	1 193 741 451	1 083 063	1 192 658 388	100,00%

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.terranel.se

Terranet AB (publ)

Corp. reg. no. 556707-2128

Mobilvägen 10, 223 62 Lund

Staff

The number of employees in the Group as of December 31, 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, the capital injection from TO7 B during the second quarter of 2024, the capital injection from TO8 B during the fourth quarter of 2024 the Company has received cash and cash equivalents that ensure operations at least until the beginning of the second quarter of 2025.

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

According to the terms of the loan, 50% of the proceeds from the issuance of shares using TO8 would be used to pay off the loan debt. However, prior to the issue in the fourth quarter, an agreement was reached with the lender that no repayment in connection with the receipt of the proceeds would be made.

A prerequisite for continued operations is that the company continues to succeed in its work with capital raising and commercialization.

In light of the progress achieved during the year, both in product development and in business development, it is the Board's assessment that financing of the business is feasible. In the event that the Company does not succeed in continuing to finance the business, there may be a material 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 year the parent company made shareholder contributions to Terranet Tech AB of TSEK 32,000, 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.

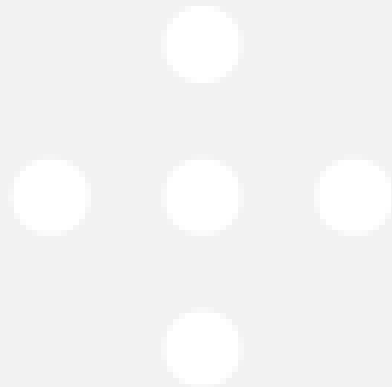
The parent company leads and administrates operations and financing activities and does not conduct any operating activities; reference is therefore made to information for the group in general.

Accounting principles

This Year-end 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 the same period in 2023)

Revenue

Revenues for the fourth quarter amounted to TSEK 1 (205). For the twelve-month period, revenues amounted to TSEK 283 (834) and consist of contributions from Vinnova.

Operating profit/loss

Capitalized development expenses during the fourth quarter amounted to TSEK 1,362 (712) and to TSEK 3,951 (2,564) for the twelve-month period and consists entirely of capitalized expenses for own personnel.

Personnel costs for the fourth quarter amounted to TSEK 5,853 (5,606) and for the twelve-month period, personnel costs amounted to TSEK 21,357 (18,195), the increase is mainly due to an increase in the number of employees compared to the same period last year.

Other external costs increased over the same period last year and amounted to TSEK 4,709 (4,168) during the quarter and to TSEK 17,248 (18,668) during the twelve-month period. The decrease for the full year 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 fourth quarter amounted to TSEK -9,555 (-9,219) and for the twelve-month period to TSEK -35,808 (-35,926).

Depreciation and write-downs of intangible assets during the fourth quarter amounted to TSEK 299 (299), depreciation of property, plant and equipment amounted to TSEK 52 (71) and depreciation of assets with rights of use amounted to TSEK 243 (243).

Depreciation of intangible assets during the twelve-month period amounted to TSEK 1 197 (2,037), depreciation of property, plant and equipment amounted to TSEK 235 (294) and depreciation of assets with rights of use amounted to TSEK 971 (939).

Financial expenses

The financial costs, TSEK 548 (1,225) during the fourth quarter and TSEK 3,802 (37,790) during the twelve-month period, mainly related to interest expenses on the loan of MSEK 35 originally raised in April 2021 to finance the acquisition of shares in holoride GmbH.

Interest expenses attributable to right-of-use assets amounted to TSEK 56 (77) for the fourth quarter and for the twelve-month period to TSEK 256 (330).

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

The result for the fourth quarter amounted to TSEK -10 060 (-42,864) and for the twelve-month period to TSEK -39,123 (-73,153).

Earnings per share before and after dilution amounted to SEK -0.01 (-0.06) for the fourth quarter and to SEK -0.04 (-0.15) for the twelve-month period.

Cash flow

Cash flow from operating activities during the fourth quarter amounted to TSEK -9,727 (-8,421) and for the twelve-month period to TSEK -37,175 (-34,109). Cash flow from investing activities during the quarter amounted to TSEK -1,493 (-753) and during the twelve-month period to TSEK -4,615 (-3,119) and consists of capitalization of development expenses, costs for patents and acquisition of equipment. Cash flow from financing activities amounted to TSEK 16,882 (4,009) during the quarter and to TSEK 31,287 (39,518) during the twelve-month period. The inflow during the twelve-month period consists of SEK 10.0 million from the directed share issue during the first quarter, SEK 12.6 million from the issue of shares in connection with the redemption of warrants of series TO7B, amortization of the loan debt with SEK 6.9 million during the second quarter and 17.2 MSEK from in connection with the redemption of warrants of series TO8B. Issue costs and amortization of leasing liabilities during the year totaled 1,6 MSEK.

Financial position and liquidity

(Comparison values as of 31/12/2023)

At the end of the period, total assets amounted to TSEK 52,880 (60,227), equity amounted to TSEK 28,735 (28,749) and the equity/assets ratio amounted to 54,3% (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 GmbH has ended up, a write-down of the value of the company's holding in holoride GmbH was made by TSEK 32,658 in the Group and by TSEK 33,545 in the Parent Company to TSEK 0. The Annual report for 2023 and 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 holoride GmbH's situation is not yet finalized.

The carrying amount of the Group's loan liabilities amounted to TSEK 8,118 (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 MSEK 9.5 including accrued interest was made. During June, a refinancing of the remaining part of the loan was also agreed with 30th of June 2025 as new maturity date.

According to the terms of the loan, 50% of the proceeds from the issuance of shares using TO8 would be used to pay off the loan debt. However, prior to the issue in the fourth quarter, an agreement was reached with the lender that no repayment in connection with the receipt of the proceeds would be made.

Of the interest-bearing liabilities, lease liabilities amount to TSEK 993 (958). The company has signed a new lease agreement for premises in Lund. The agreement, which will enter into force on February 1, 2025, has a term of six years and future undiscounted cash flows from the agreement amount to MSEK 8.1.

At the end of the period, the Group's cash and cash equivalents amounted to TSEK 18,541 (29,006). For risks related to financing and going concern, see the section Risks and uncertainties.

Related party transactions

Purchases of TSEK 196 were made from Prevas Development AB during the year. 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)	2024	2023	2024	2023
	3 months October - December	3 months October - December	12 months January- December	12 months January- December
Undiluted EPS (SEK)	-0,01	-0,06	-0,04	-0,15
Diluted EPS (SEK)	-0,01	-0,06	-0,04	-0,15
Number of shares on balance sheet date	1 193 741 451	755 145 869	1 193 741 451	755 145 869
Average number of shares	1 101 709 912	660 776 296	985 061 999	493 404 984
Equity/asset ratio (%)	54,3	47,7	54,3	47,7
Operating profit/loss	-9 555	-9 219	-35 808	-35 926
Profit/loss for the period	-10 060	-42 864	-39 123	-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
	3 months October - December	3 months October - December	12 months January- December	12 months January- December
Other operating revenue	1	205	283	834
Activated work for own account	1362	712	3 951	2 564
<i>Operating expenses</i>				
Other external expenses	-4 709	-4 168	-17 248	-18 668
Staff costs	-5 853	-5 606	-21 357	-18 195
Depreciation and write-offs of tangible and intangible fixed assets	-351	-370	-1 432	-2 331
Other operating costs	-5	8	-5	-130
Operating profit/loss	-9 555	-9 219	-35 808	-35 926
Write down of long-term financial assets	0	-32 658	0	-32 658
Financial income	66	275	510	600
Financial costs	-548	-1225	-3 802	-5 132
Profit/loss before tax	-10 037	-42 827	-39 100	-73 116
Tax on profit/loss for the period	-23	-37	-23	-37
Profit/loss for the period attributable to the parent company's shareholders	-10 060	-42 864	-39 123	-73 153
Earnings per share, SEK				
Undiluted EPS	-0,01	-0,06	-0,04	-0,15
Diluted EPS	-0,01	-0,06	-0,04	-0,15

The Group's summary statement of comprehensive income

(Amounts in TSEK)	2024	2023	2024	2023
	3 months	3 months	12 months	12 months
	October -	October -	January-	January-
	December	December	December	December
Profit/loss for the period	-10 060	-42 864	-39 123	-73 153
Other comprehensive income	7	-16	-16	-7
Comprehensive income for the period attributable to the parent company's shareholders	-10 053	-42 880	-39 139	-73 160

Summary consolidated statement of financial position

(Amounts in TSEK)	2024-12-31	2023-12-31
ASSETS		
Fixed assets		
<i>Intangible fixed assets</i>		
Capitalised development costs	20 833	16 881
Patents and trademarks	2 211	1 954
<i>Property, plant and equipment</i>		
Right of use assets	2 123	3 095
Equipment	275	331
<i>Financial assets</i>		
Long-term securities	5 430	5 430
Other long-term receivables	170	164
Total fixed assets	31 042	27 855
Current assets		
Accounts receivables	0	0
Other receivables	1802	874
Prepaid expenses and accrued revenue	1 495	2 492
Cash and cash equivalents	18 541	29 006
Total current assets	21 838	32 372
TOTAL ASSETS	52 880	60 227
EQUITY AND LIABILITIES		
Equity		
Share capital	11 937	7 551
Other capital contribution	484 101	449 362
Translation reserve	-23	-7
Profit/loss carried forward	-428 157	-355 004
Profit/loss for the period	-39 123	-73 153
Equity attributable to the parent company's shareholders	28 735	28 749
Long-term liabilities		
Lease liabilities	1404	2398
Lease liabilities	4 378	0
Total long-term liabilities	5 782	2 398
Current liabilities		
Loans payable	8 118	15 538
Lease liabilities	993	958
Accounts payable	1122	1178
Tax liabilities	0	38
Other liabilities	2 844	7 229
Accrued expenses and prepaid revenue	5 286	4 139
Total current liabilities	18 363	29 080
TOTAL EQUITY AND LIABILITIES	52 880	60 227

Summary consolidated statement of changes in equity

(Amounts in TSEK)	<i>Attributable to the parent company's shareholders</i>	
	2024-12-31	2023-12-31
Opening balance	28 749	48 382
Profit/loss for the period	-39 123	-73 153
Other comprehensive income	-16	-7
New cash issue	39 810	62 813
Offset issue	0	2045
Received option premiums	0	0
Issue costs	-685	-11 331
Closing balance	28 735	28 749

Summary consolidated cash flow statement

(Amounts in TSEK)	2024	2023	2024	2023
	3 months	3 months	12 months	12 months
	October - December	October - December	January- December	January- December
Operating activities				
Operating profit/loss	-9 555	-9 219	-35 808	-35 926
Adjustments for items not included in the cash flow:				
Depreciation and write-offs	351	370	1 432	2 331
Other non-cash items	103	142	412	451
Interest received	510	600	510	600
Interest paid and other financial payments	-590	-1369	-4282	-2444
Taxes paid	-61	0	-61	0
Cash flow from operations before changes in working capital	-9 242	-9 476	-37 797	-34 988
Changes in working capital				
Changes in operating receivables	-994	-1215	-342	-665
Change in operating liabilities	509	2270	964	1544
Cash flow from operations	-9 727	-8 421	-37 175	-34 109
Investing activities				
Capitalisation of development costs	-1362	-712	-3 951	-2 564
Capitalisation of patents and trademarks	-131	0	-482	-75
Acquisition of tangible assets	0	-41	-182	-310
Investment in financial assets	0	0	0	0
Paid deposit	0	0	0	-170
Cash flow from investing activities	-1 493	-753	-4 615	-3 119
Financing activities				
New share issue	17 179	6251	39 810	62 813
Issue costs	-49	-342	-685	-9286
Received option premiums	0	0	0	0
New loans	0	0	0	6318
Repaid loans	0	-1674	-6 879	-19 479
Amortisation of lease liabilities	-248	-226	-959	-848
Cash flow from financing activities	16 882	4 009	31 287	39 518
Cash flow for the period	5 662	-5 165	-10 503	2 290
Cash and cash equivalents at the start of the period	12 861	34 179	29 006	26 715
Exchange rate differences in cash and cash equivalents	18	-8	38	1
Cash and cash equivalents at the close of the period	18 541	29 006	18 541	29 006

Summary parent company income statement

(Amounts in TSEK)	2024	2023	2024	2023
	3 months	3 months	12 months	12 months
	October -	October -	January-	January-
	December	December	December	December
Net sales	1 357	0	5 208	0
<i>Operating expenses</i>				
Other external expenses	-1 328	-807	-6 630	-3 207
Staff costs	-1 893	0	-6 749	0
Staff costs	-5	0	-5	0
Operating profit/loss	-1 869	-807	-8 176	-3 207
Financial income	66	184	509	509
Depreciation of shares in group companies	-9 500	-2 000	-32 000	-25 800
Write down of long-term investments	0	-33 545	0	-33 545
Financial costs	-418	-1 048	-2 951	-4 681
Total financial items	-9 852	-36 409	-34 442	-63 517
Profit/loss before tax for the period	-11 721	-37 216	-42 618	-66 724
Tax on profit/loss for the period	0	0	0	0
Profit/loss for the period	-11 721	-37 216	-42 618	-66 724

Summary parent company statement of comprehensive income

(Amounts in TSEK)	2023	2022	2023	2022
	3 months	3 months	12 months	12 months
	October -	October -	January-	January-
	December	December	December	December
Profit/loss for the period	-11 721	-37 216	-42 618	-66 724
Other comprehensive income	0	0	0	0
Comprehensive income for the period	-11 721	-37 216	-42 618	-66 724

Summary parent company balance sheet

(Amounts in TSEK)	2024-12-31	2023-12-31
ASSETS		
Financial assets		
Shares in group companies	57 011	57 011
Other long-term securities	5 430	5 430
Other long-term receivables	0	0
Total fixed assets	62 441	62 441
Current assets		
Other receivables	436	0
Other receivables	352	8
Prepaid expenses and accrued revenue	577	223
Cash on hand	17 815	28 268
Total current assets	19 180	28 499
TOTAL ASSETS	81 621	90 940
EQUITY AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Share capital	11 937	7 551
<i>Non-restricted equity</i>		
Share premium reserve	484 101	449 362
Profit/loss carried forward	-381 719	-314 995
Profit/loss for the period	-42 618	-66 724
Total equity	71 701	75 194
Current liabilities		
Loans payable	8 118	15 538
Accounts payable	208	7
Liabilities to group companies	94	94
Other short-term liabilities	302	0
Accrued expenses and prepaid revenue	1198	107
Total current liabilities	9 920	15 746
TOTAL EQUITY AND LIABILITIES	81 621	90 940

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. Former 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 2022.

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 2022.

Directed issue of units

On 12 January 2024, 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 considered 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 fourth 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 fourth issue"). The shareholder Maida Vale Capital AB had 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 has transferred free of charge to all shareholders in the Company, in order to partially compensate the shareholders for the dilution that arose through the directed share issue in January 2024.

The exercise period for the exercise of the warrants of series T08 took place during the period 18 – 29 November 2024. The subscription price per Class B share upon exercise of the warrants of series T08 amounted to SEK 0.14 according to the terms and conditions. A total of 122,708,719 warrants of series T08 were exercised for subscription of 122,708,719 Class B shares, meaning that approximately 88 percent of the outstanding warrants of series T08 were exercised for subscription of Class B shares. Through the exercise of the warrants of series T08, Terranet received approximately SEK 17.2 million before issue costs.

Financial calendar

2025

6 February	Year-end report 2024	8 May	Interim Report Q1 2025
25 April	Annual report 2024	22 May	AGM 2025
21 August	Interim Report Q2 2025	21 August	Interim Report Q3 2025

This Year-end 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 February 19 2025

Torgny Hellström
Chairman

Anders Blom
Board member

Magnus Edman
Board member

Mats Fägerhag
Board member

Nils Wollny
Board member

Tarek Shoeb
Board member

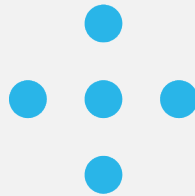
Dan Wahrenberg
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This information is information that Terranet AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8.30 a.m. CET on February 19 2025.



Safety at the blink of an eye

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